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Presented to

Commonwealth of Massachusetts

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Financial Report
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As English immigrants, the first settlers came from a society already undergoing a capitalist transformation. They were able to take advantage of new commercial organizations, such as the Joint-stock company, and they benefited from English credit and investment. Many New England settlers had firsthand experience with commercial agriculture, trade, or manufacturing. As Puritans, they were committed to a religion that valued hard work and to a civic culture that favored strong government action in the name of the common good.

Second, the colonists encountered not a virgin environment but one that had already been shaped and cultivated by Native Americans. Settlers were able to live in shelters built by Indians, to farm fields already cleared by the Indians, to plant seed obtained from the native inhabitants, and to trade for meat. These early appropriations and exchanges made all the difference between starvation and survival in the difficult early years of settlement. Later, the Indian fur trade provided the colonists with their only real export commodity with which to pay for needed imports from home.

The fur trade represented the single most important source of foreign exchange before 1640, and New Englanders avidly pursued their modest comparative advantage in this industry. Plymouth maintained fur trading posts in Maine near the Penobscot and Kennebec rivers, at Windsor on the Connecticut River, at Narragansett Bay, and on Long Island Sound. Those residents of Salem, Boston, and Cambridge who were licensed by the Massachusetts General Court – and some were not-trucked with the Mohegans Pequots, Narragansetts, Shunnecoicks, and other southern New England and Long Island tribes, exchanging for beaver the necessities of corn, knives, kettles, and cloth (and despite legislation to the contrary, liquor, firearms, and powder).

William Pynchon of Springfield and his son John shipped cargoes of beaver worth nearly \$5,600 to England. Such profits enabled men like the Pynchons to purchase land and invest in agriculture, cattle, mills, and shop good for European customers, paving the way for a more diversified local economy later. Rivers that had once contained beaver could be exploited for their falls and dams as potential mill sites.

New England farmers exchanged their grain for a variety of goods and services, from furs to knowledge about growing food. Farmers and traders discovered that they could prosper by supplying surplus meat, horses, and grain to other colonies where specialization in tobacco, sugar, or fishing replaced production of foodstuffs. The rich fishing banks off New England provided another export “crop”, codfish.

Photography of Constance Hopkin's beaver pelt hat and of Interview with Massasoit by Eastman courtesy of Pilgrim Hall Museum.

Text from *Engines of Enterprise – An Economic History of New England*, Harvard University Press.

Photography of farmers courtesy of the Essex Agricultural Technical High School

